



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Brence Culp, Vice Chair
3rd District
Clinton Tatum
2nd District
Rick Velasquez
4th District
Angela Mazzie
5th District

AUDIT COMMITTEE MEETING MINUTES July 22, 2004

Vice Chairperson Brence Culp called the meeting to order at 1:34 p.m. in the Conference Room of Room 525 at the Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Brence Culp, Third District
Rick Velasquez, Fourth District
Angela Mazzie, Fifth District

Committee Members Absent

Clinton Tatum, Second District

Others in Attendance

Martin Zimmerman, Chief Administrative Office	DeWitt Roberts, Auditor-Controller
Dorothea Park, Chief Administrative Office	Martha Littlefield, Executive Office
Sid Kikkawa, Chief Administrative Office	Ken Wales, Executive Office
Sachi Hamai, Department of Health Services	Jon Fullinwider, Chief Information Officer
Azar Kattan, Department of Health Services	Jonathan Williams, Chief Information Office
Sue Harper, Department of Children and Family Services	

Approval of Minutes

On motion of Angela Mazzie, seconded by Rick Velasquez, the Committee unanimously approved the July 1, 2004 minutes.

Old Business

Olive View Medical Center Procurement Follow Up Review: Two of the thirty-three recommendations are still outstanding, the training of the procurement staff by ISD and ensuring that management signs off on all requisitions prior to supply purchase. The First District will provide a letter on behalf of the Supervisor to ISD stating that the training is a priority. **On motion of Angela Mazzie, seconded by Brence Culp, the Committee unanimously approved requesting the Audit-Compliance Division of the Department perform a follow-up review of the thirty-three recommendations and report back by September 30, 2004.**

Sunset Review of Board Policy No. 3.040 – Destruction and Disposition of Old Records:

Martin Zimmerman explained the CAO needs time to inventory all County archived documents. **On an amended motion of Rick Velasquez, seconded by Louisa Ollague, the Committee approved extending the sunset review date to May 13, 2005.**

Beta Foster Family Agency Contract Review: Contract review found the agency maintains the appropriate staffing levels and paid the foster parents in a timely manner; however, agency did not effectively monitor the foster homes to ensure the children's needs and the homes were properly maintained. The agency agreed with the findings

and would submit a corrective action plan including timeframes to implement recommendations to DCFS within thirty days. **This item is continued to the August 19, 2004 meeting pending the Auditor-Controller's review of the corrective action plan.**

Sunset Review of Board Policy No. 9.020 Employee Accountability: Policy establishes a high and uniform standard of accountability for employees at all levels. **On motion of Rick Velasquez, seconded by Louisa Ollague, the Committee unanimously approved extending the sunset review date to April 25, 2008.**

Armenian Evangelical Social Services Center Contract Review: Contract compliance review verified the agency was significantly out of compliance with its contractual requirements. The agency disagreed with the findings. DCSS was notified of the review and will work with the agency to resolve the areas of noncompliance. A report to the Board of Supervisors is due within 60 days of this report. **On motion of Louisa Ollague, seconded by Angela Mazzie the Committee unanimously approved receiving and filing the report.**

Community Employment Project Contract Review: Contract compliance review of the Refugee Immigrant Training and Employment Program (RITE) service provider found the agency was significantly out of compliance with its contractual requirements. DCSS will work with the agency to monitor and ensure areas of noncompliance disclosed in the report are resolved and will report back to the Board within 60 days of the issued report. **On motion of Louisa Ollague, seconded by Angela Mazzie the Committee unanimously approved receiving and filing the report.**

Sunset Review of Board Policy No. 4.030 – Budget Polices and Priorities: Establishes policies and priorities that assist departments in preparing their budget requests, provides direction to the Chief Administrative Office in developing the Proposed Budget and provide a context to help guide Board decision-making consistent with deliberations on the final budget. **This item was continued to the August 19, 2004 meeting.**

Sunset Review of Board Policy No. 6.020 – Chief Information Office Board Letter Approval: To achieve maximum integration and efficiency in the implementation of information management systems, the Chief Information Officer will review all requests concerning the approval of actions related to the design, acquisition, expansion, or purchase of automated systems. **On motion of Louisa Ollague, seconded by Rick Velasquez, the Committee unanimously approved to extend the sunset review date to December 31, 2008.**

Reports to be Received and Filed

Department of Community and Senior Services: Request for Proposals for the Workforce Investment Act Youth Programs: Item 42 on June 15, 2004 Agenda: The First District requested a review of the Request for Proposals process related to Workforce Investment Act Youth Programs initiated by Department of Community and Senior Service. The A/C found the RFP process was conducted fairly and the proposals were evaluated using meaningful criteria. **On motion of Angela Mazzie,**

seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.

Ettie Lee Homes Contract Review: Contract compliance review determined the agency provided the services outlined in its county contract. **On motion of Angela Mazzie, seconded by Rick Velasquez, the Committee unanimously approved receiving and filing the report.**

Group Home Program Monitoring Report – Boys Republic, Orange County: Review of the agency's contracts determined the agency provided the services outlined in its program statement, however, the agency needs to provide documentation to show the participation of placement workers' in the development and update of the Needs and Service Plans. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Group Home Program Monitoring Report – New Outlook Boys Home: Review of the agency's contract determined the agency is providing the services outlined; however, the agency needs to make repairs to its facility, review and implement residents' Needs and Services Plans on a consistent basis, provide documentation to show placement workers' participation in the Needs and Services Plans, and provide residents with weekly individual and group therapy. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Group Home Program Monitoring Report – New Concept Group Home: Review of the agency's contract determined the agency provided the services outlined; however, the agency needs to make repairs to its facility; develop Needs and Services Plans that are specific, realistic, and measurable; provide documentation to support residents and their placement workers participate in the development and update of NSP; develop quarterly reports; provide residents with a minimum base allowance; and maintain life books. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Group Home Program Monitoring Report – Hudson Lyndsey Group Home, Carlin: Review of the agency's contract determined the agency provided the services outlined; however, the agency needs to make repairs to its facility; provide age appropriate play equipment for the younger residents; and provide residents with a computer. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Group Home Program Monitoring Report – M and D Group Home, M and D Motivational Center: Review of agency's contract determined the agency provided the services outlined. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Audit of the County Conditions on Land Development Projects – Status Report: The Auditor-Controller identified 182 quality of life conditions and forwarded them to the respective departments. The departments have responded and A/C is verifying the

information with on-site inspections as warranted. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Reports Received

Los Angeles Homeless Services Authority – Financial Review: Financial review for January 1, 2003 through November 30, 2003 focusing on the internal controls and compliance with established fiscal policies and procedures found Authority operated within the budget and was performing the basic accounting procedures. **On motion of Angela Mazzie, seconded by Rick Velasquez, the Committee unanimously approved receiving and filing the report.**

Group Home Program Monitoring Report – Journey House: Review determined the agency provided the services outlined in its program statement; however, the Agency needs to make repairs to the facility; remove all fire hazards; monitor the use of disinfectants, cleansers and hazardous materials; create Needs and Services Plans that have detailed, measurable, and achievable goals; provide vocational training; and create activity schedules. **On motion of Louisa Ollague, seconded by Rick Velasquez, the Committee unanimously approved sending a letter to the Probation Department to provide a status report on the recommendations by the August 12, 2004. This item is continued to the August 19, 2004 meeting.**

Department of Health Services Housing Inspection Program: Review of the Housing Inspection Program found that 60 percent of the inspected homes that have a history of code violations were inspected only once instead of twice and 30 percent met the required inspections. Environmental Health Services is in agreement with the findings and recommendations of the report and will provide a status report by August 31, 2004 on the implementation of the recommendations. Cost recovery rate concerns were discussed. DHS stated public health permit fees have not been evaluated for a long time and there is a need to look at individual fees. DHS recommends that an outside consultant do a fee rate study prior to the Board approving the 2005-2006 fee schedules. The Fifth District will introduce a motion requesting the study. **On motion of Angela Mazzie, seconded by Rick Velasquez, the Committee unanimously approved receiving and filing the report.**

Jewish Vocational Services Contract Review: Contract compliance review determined the agency over-billed the Department of Community and Senior Services, violated State Labor Code requirements for paychecks. The agency disagreed with A/C findings. DCSS will work with agency and monitor them to ensure compliance. **On motion of Louisa Ollague, seconded by Rick Velasquez, the Committee unanimously approved receiving and filing the report.**

Pacific Asian Consortium in Employment Contract Review: Completed contract compliance review determined the agency is out of compliance with certain contractual requirements. DCSS will monitor the agency to ensure areas of noncompliance are resolved and will report to the Board within 60 days of this report. **On motion of Louisa Ollague, seconded by Rick Velasquez, the Committee unanimously approved receiving and filing the report.**

Sheriff's Department Workers' Compensation Cost and Billings: Review the County's method of allocating workers' compensation costs to the Sheriff's Department indicates the Chief Administrative Office accurately applied the County's three year rolling average methodology; however, for the past eight years the rolling average methodology has resulted in the Sheriff's Department billed more than two percent more than actual workers' compensation payments and administrative costs. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Board Policy Sunset Review – Policy 5.015 Timely Submission of Contracts for Board Approval: Proposed revision reflecting the implementation of the Countywide Contract Monitoring System and which establishes a specific protocol, including advance deadlines for submission of contracts for Board approval prior to expiration of an existing contract or prior to the effective date for new contract services and establishes a process of accountability to ensure compliance. **This item was continued to the August 19, 2004 meeting.**

Colin P. Kelly Elementary School After-School Enrichment Program Contract Review: Contract compliance review of agency determined the agency provided the services outlined in its contract. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Yorbita Elementary School After-School Enrichment Program Contract Review: Contract compliance review of agency determined its contract. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Status Report on Reconciliation of the Department of Community and Senior Services Area Agency on Aging Grants for Fiscal Years 1999-00 through 2001-02: A schedule showing the status of the DCSS reconciliation of Area Agency on Aging grants. Considerable progress has been made in reconciling the grant award amounts between DCSS and its sub-grantees. **On motion of Rick Velasquez, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Survey of County Contractors that have the Authority to Authorize County Payments – Final Status Report: Quarterly report on the review of County departments and districts with contractors that have the ability to authorize and approve County warrants. Conditions still exist at both of the Alternative Payment Program agencies and a post-implementation review of the payment systems and processes has not been conducted. **This item was continued to the August 19, 2004 meeting.**

DHS' Affinity application Follow Up Review: Follow-up review of the September 2000 Rancho Los Amigos National Rehabilitation Center's Affinity Application review to assess the progress in implementing the 63 recommendations. Fifty are fully implemented and thirteen are partially implemented. **On motion of Rick Velasquez, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Sunset Review for the Los Angeles County Small Business Commission: **On motion of Rick Velasquez, seconded by Angela Mazzie, the Committee unanimously approved recommending the extension of the sunset review date of the Los Angeles County Small Business Commission to June 30, 2007.**

Sunset Review for the Los Angeles County Commission for Women: **On motion of Angela Mazzie, seconded by Rick Velasquez, the Committee unanimously approved recommending the extension of the sunset review date of the Los Angeles County Commission for Women to July 31, 2008.**

Review of the Salvation Army, Booth Memorial Center – A Group Home Foster Care Contractor: Review of fiscal operations for October 1, 2002 through September 30, 2003 of agency noted unspent clothing funds and underpaid child allowances. The agency will provide DCFS with a written and corrective action plan within thirty days of the report. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Sunset Review of Board Policy No. 4.050 – Audit Follow Up: Establishes procedures requiring all County departments to take timely actions in response to audits of County operations, including services provided by contract vendors resulting in recommendations for improvement, disallowances, or questioned costs. **On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved extending the sunset review date to December 7, 2011.**

Group Home Program Monitoring Report – Phoenix Houses of Los Angeles, Inc., Phoenix Academy Lakeview Terrace: Review of agency's contract determined the agency is providing the service outlined in its program statement with some requirements needed. The agency is to provide a corrective action plan to the Ombudsman within fifteen days from the receipt of this report. **This item was continued to the August 19, 2004 meeting.**

Group Home Program Monitoring Report – Sand Hill Group Home: Review of agency's contract determined the agency is providing the services outlined in its program statement with some requirements. The agency is to provide a corrective action plan within fifteen days from the receipt of this report. **On motion of Rick Velasquez, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Department of Health Services Centralized Contract Monitoring: Follow-up review determined DHS does not have adequate management controls to ensure proper monitoring nor risk control. DHS will issue a detailed response in sixty days in accordance with Board policy. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved inviting representatives from DHS to the August 19, 2004 meeting.**

Department of Community and Senior Services Audit Report: blueCONSULTING's audit of the Department's mission and organization structure; development and implementation of strategic plan; performance of key management functions; and operational policies and procedures noted a lack of leadership and credibility and recommended a major Departmental restructuring. The Auditor-Controller recommends the Board establish an oversight and implementation team of managers, led by the Chief Administrative Officer to oversee implementation of the firm's recommendations. **On motion of Louisa Ollague, seconded by Rick Velasquez, the Committee unanimously approved receiving and filing the report.**

2003 – 2004 Los Angeles County Civil Grand Jury Report: **This item was continued to the August 19, 2004 meeting.**

Other Business

Audit Committee Correspondence Requiring Response: **On motion of Rick Velasquez, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the response report.**

Department of Children and Family Services Audit Summary Report: The document summarizes the Department's actions to resolve questioned costs. Sue Harper, DCFS representative, stated that she will be submitting a proposal for the Treasurer Tax Collector (TTC) to handle the collections of outstanding accounts and monitoring of revenues. Also a representative from TTC will be attending the exit conferences to convey the County's determination to collect the outstanding funds. The Auditor-Controller staff voiced concerns regarding El Camino and the escrow of its building and the lien by the County to secure its interest. Ms. Harper stated she is in the process of scheduling a hearing with them within two weeks. **On motion of Rick Velasquez, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Public Comment

There was none.

Matters not on the posted agenda to be presented and placed on the agenda of a future meeting.

Committee Members discussed the possibility of moving the regular meeting time/date due to a scheduling problem and decided against it.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:44 p.m.